



July 27, 2006

J. Mitch King
Regional Director, Mountain-Prairie Region
United States Fish and Wildlife Service
Post Office Box 25486
Denver Federal Center
Denver, CO 80225-0486

Re: Richardson Flat Natural Resource Damages

Dear Mr. King:

Thank you for your June 16, 2006 letter regarding natural resource damage issues pertaining to the Richardson Flat Tailings Site ("Site").

Although United Park City Mines Company ("United Park") has concerns with some of the data characterizations and conclusions presented in your letter, we believe that the general areas of potential injury identified in your letter provide a basis for resolving natural resource liability issues at the Site. Like the Service, United Park is anxious to incorporate as much natural resource restoration work as practicable into its work plan for the Richardson Flat remedial action. Accordingly, this letter focuses on practical ways in which some of the Service's concerns can be addressed as part of the Richardson Flat remedial action.

As the Service is aware, United Park is in the final stages of negotiating a consent decree with USEPA to perform a remedial action at the Site. Entry into the consent decree will cap years of negotiation between, and study by, United Park, USEPA, the State of Utah, the Service and other stakeholders, and will allow United Park to complete remediation of the Site. Because any additional delays in negotiating the final consent decree would force United Park to lose another construction season at Richardson Flat, United Park will continue with final negotiations on the consent decree. Therefore, unless United Park and the Service are able to come to agreement on the scope of restoration activities necessary to receive a federal covenant not to sue for natural resource damages, these negotiations may need to occur in the context of a future consent decree. Nonetheless, there may still be an opportunity to modify the remedial design/remedial action work plan for the Site to accommodate restoration activities as part of the remediation, assuming that United Park could receive credit for such activities as part of a future NRD settlement.

We are hopeful that such an agreement can be reached. However, as you are aware, the goals and work required for site remediation are often different than those required for site restoration. Accordingly, if restoration activities are to be incorporated into the remedial action,

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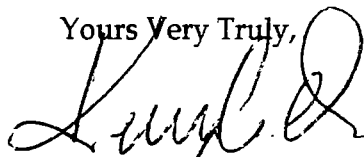
especially if they differ significantly from the selected remedy approved by EPA in the Record of Decision ("ROD"), it is imperative that both United Park and the Service work cooperatively, proactively, and quickly with EPA to determine a satisfactory course of action.

Earlier this year, United Park engaged a consultant to help it assess potential natural resource damages at Richardson Flat. Based on this preliminary assessment, United Park concluded that migratory birds and other trust resources under the Service's jurisdiction ("Trust Resources") may benefit from two modifications to the remedial plan described in the ROD. First, it appears that Trust Resources may be negatively impacted by sediment removal in the mature, high-functioning wetland areas located at the toe of the embankment forming the northwestern end of the tailings impoundment, causing United Park to question whether the Service would prefer that some or all of these sediments be left in place. Similar considerations may apply to the seasonal wetland on the impoundment. Second, Trust Resources may benefit by removing (rather than capping with gravel) sediments in the south diversion ditch. Additionally, opportunities may exist for constructing new wetlands at the Site that could amply compensate for potential natural resources injuries.

As to the Service's suggestions regarding additional data gathering, United Park is reluctant to conduct additional sampling and analysis at this point in the process. While we understand the desire to have more information available for decision-making, United Park believes that, in this case, sufficient information is already available to make reasonable remediation and restoration decisions. As such, and given the timeline of the pending consent decree, we strongly prefer to focus our collective time and resources toward potential remediation and restoration activities. For similar and related reasons, United Park is also reluctant to expand the scope of its Richardson Flat related restoration efforts to the upper and middle reaches of Silver Creek at this time.

Please let us know at your earliest convenience if you are amenable to pursuing restoration-focused options at Richardson Flats on an expedited basis. If so, we would like to meet with you quickly to discuss next steps in more detail. As always, United Park appreciates the Service's assistance on this matter and look forward to hearing from you.

Yours Very Truly,



Kerry C. Gee

United Park City Mines Co.

cc: Dianne Nielsen, Executive Secretary
Utah Dept. of Env. Quality
Glenn Carpenter, SLC Field Office Manager

J. Mitch King, Regional Director

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